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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 21.5.2008  
COM(2008) 309 final

Proposal for a

**COUNCIL DECISION**

**on the position to be adopted by the Community within the Association Council established by the Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part, with regard to the establishment of a tariff dismantling schedule for products appearing in Annex IV to the Association Agreement**

(presented by the Commission)

## **EXPLANATORY MEMORANDUM**

Annex IV to the Association Agreement between the European Communities and their Member States and the Kingdom of Jordan (hereinafter, "Association Agreement") includes a list of products (including textiles, used cars, furniture and sensitive processed agricultural products) exported from the EU to Jordan. These exports are worth about €150 million per year and were excluded from immediate tariff dismantling when the Association Agreement entered into force on 1 May 2002. Article 11(5) of the Association Agreement foresees that, four years after the date of entry into force, the joint Association Council should establish a tariff dismantling schedule for these products.

The Commission carried out negotiations on the products listed in Annex IV with Jordan throughout 2006 and 2007. The draft agreement reached with Jordan foresees that tariff dismantling for products listed in Annex IV should begin in May 2008 based on 3 lists of products: the tariffs for the products on the first list will be dismantled over 2 years (all tariff lines falling under "ex 8703" - used vehicles) and the tariffs for the products on the second list over 7 years (mostly textiles and furniture). The third list consists of sensitive processed agricultural products for which tariffs will remain in place.

Particular difficulties were encountered with respect to beer (HS 2203) and vermouth (HS 2205). While showing understanding for Jordan's arguments about cultural sensitivities to imports of alcoholic beverages, the Commission decried Jordan's discriminatory treatment compared to imports of beer and vermouth under their FTA with the USA. The FTA with the USA foresees that duties will be reduced to 44.5% of the original duty level as of 2010. The Jordanian import market for beer and especially of vermouth is very small and currently dominated by imports from the Community.

While tariffs on imports of EC beer and vermouth will remain in place, Jordan agreed to jointly monitor the evolution of imports of those two products in the EC-Jordan Industry, Trade and Services sub-committee (which usually meets once a year), to assess any significant reduction of imports from the Community caused by the preferential treatment accorded to the USA. Where a significant reduction of beer and vermouth imports from the Community was proved, it was agreed that the Jordanian authorities and the Commission should review the applicable customs duties on those two products with a view to remedying the identified imbalance.

In order to facilitate the entry into effect of the tariff dismantling schedule by 1 May 2008, a written procedure for the adoption of the corresponding decision by the Association Council is envisaged.

Proposal for a

## COUNCIL DECISION

**on the position to be adopted by the Community within the Association Council established by the Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part, with regard to the establishment of a tariff dismantling schedule for products appearing in Annex IV to the Association Agreement**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 300 (2) second subparagraph thereof,

Having regard to the proposal from the Commission<sup>1</sup>,

Whereas:

- (1) The Euro-Mediterranean Agreement establishing an Association between European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part, provides in Article 11 (5) thereof that the Association Council is to re-examine the arrangements to be applied to products listed in Annex IV to the Agreement four years after the date of its entry into force, and at the time of that re-examination, establish a tariff dismantling schedule for those products.
- (2) The tariff dismantling schedule for products appearing in Annex IV to the Association Agreement has been negotiated by the European Commission and the Hashemite Kingdom of Jordan,

HAS DECIDED AS FOLLOWS:

### *Sole article*

The position to be taken by the Community within the Association Council with regard to the establishment of a tariff dismantling schedule for products appearing in Annex IV to the Association Agreement shall be based on the draft Decision annexed hereto.

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<sup>1</sup> OJ C [...], [...], p. [...].

Done at Brussels, [...]

*For the Council  
The President  
[...]*

## ANNEX

### **Decision of the Association Council established by the Euro-Mediterranean Agreement establishing an Association between, the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part, with regard to the establishment of a tariff dismantling schedule for products appearing in Annex IV to the Association Agreement**

THE ASSOCIATION COUNCIL,

Having regard to the Euro-Mediterranean Agreement establishing an Association between, the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part (hereinafter the "Association Agreement"), signed in Brussels on 24 November 1997 and which entered into force on 1 May 2002, and in particular Articles 6, and 11(5) thereof,

Whereas:

(1) Under the Association Agreement the Community and Jordan are gradually to establish a free trade area over a transitional period lasting a maximum of 12 years starting from the date of the entry into force of the Association Agreement, in accordance with the provisions of the Agreement and in conformity with those of the General Agreement on Tariffs and Trade (1994).

(2) In accordance with the Association Agreement, the Association Council is to re-examine the arrangements to be applied to products listed in Annex IV to the agreement, containing a list of industrial products originating in the Community, four years after the date of its entry into force, and at the time of that re-examination, establish a tariff dismantling schedule for those products.

(3) The tariff dismantling schedule for products appearing in Annex IV to the Association Agreement has been negotiated by the European Commission and Jordan,

HAS DECIDED AS FOLLOWS:

#### *Article 1*

Imports into Jordan of the products originating in the Community listed in Annex IV to the Association Agreement shall be subject to the tariff dismantling schedule detailed in Article 2. The schedule shall apply with effect from 1 May 2008.

#### *Article 2*

1. Customs duties applicable on imports into Jordan of products originating in the Community listed in list (1) of the Annex to this Decision shall be eliminated over two years, beginning on 1 May 2008, and such products shall be duty free with effect from 1 May 2009. The phasing out of the customs duties shall take place in accordance with the following schedule:

(a) on 1 May 2008, the duty shall be reduced to 3% of the basic duty;

(b) on 1 May 2009, the remaining duty shall be abolished.

2. Customs duties applicable on imports into Jordan of products originating in the Community listed in list (2) of the Annex to this Decision shall be eliminated over seven years beginning on 1 May 2008, and such products shall be duty free with effect from 1 May 2014. The phasing out of the customs duties shall take place in accordance with the following schedule:

(a) on 1 May 2008, the duty shall be reduced to 90% of the basic duty;

(b) on 1 May 2009, the duty shall be reduced to 80% of the basic duty;

(c) on 1 May 2010, the duty shall be reduced to 70% of the basic duty;

(d) on 1 May 2011, the duty shall be reduced to 60% of the basic duty;

(e) on 1 May 2012, the duty shall be reduced to 50% of the basic duty;

(f) on 1 May 2013, the duty shall be reduced to 40% of the basic duty;

(g) on 1 May 2014, the remaining duty shall be abolished.

3. Customs duties applicable on imports into Jordan of products originating in the Community listed in list (3) of the Annex to this Decision shall not be abolished. The Jordanian authorities and European Commission shall jointly review in the industry, trade and services sub-committee the evolution of Community imports into Jordan of beer (HS 2203) and vermouth (HS 2205), to assess any significant reduction of Community imports caused by the preferential treatment accorded to other trading partners. In the event where a significant reduction of Community imports was proved, the Jordanian authorities and the European Commission shall review the applicable customs duties on those two products with a view to remedying the identified imbalance.

### *Article 3*

This Decision shall enter into force the day of its adoption by the Association Council.

Done at ...,

For the Association Council

The President

### **List 1**

<b>HS Code</b>	<b>Description</b>
ex 870310000(*)	- Vehicles specially designed for travelling on snow; golf cars and similar vehicles
ex 870321300(*)	--- Vehicles specially designed as ambulances and hearses
ex	--- Furnished vehicles prepared for picnics (campers)

870321400(*)	
ex 870321900(*)	--- Other
ex 870322300(*)	--- Vehicles specially designed as ambulances and hearses
ex 870322400(*)	--- Furnished vehicles prepared for picnics (campers)
ex 870322900(*)	--- Other
ex 870323130(*)	---- Vehicles specially designed as ambulances and hearses
ex 870323140(*)	---- Furnished vehicles prepared for picnics (campers)
ex 870323190(*)	---- Other
ex 870323210(*)	---- Vehicles specially designed as ambulances and hearses
ex 870323220(*)	---- Furnished vehicles prepared for picnics (campers)
ex 870323290(*)	---- Other
ex 870323310(*)	---- Vehicles specially designed as ambulances and hearses
ex 870323320(*)	---- Furnished vehicles prepared for picnics (campers)
ex 870323390(*)	---- Other
ex 870324100(*)	--- Vehicles specially designed as ambulances and hearses
ex 870324200(*)	--- Furnished vehicles prepared for picnics (campers)
ex 870324900(*)	--- Other
ex 870331300(*)	--- Vehicles specially designed as ambulances and hearses
ex 870331400(*)	--- Furnished vehicles prepared for picnics (campers)
ex	--- Other



870331900(*)	
ex 870332130(*)	---- Vehicles specially designed as ambulances and hearses
ex 870332140(*)	---- Furnished vehicles prepared for picnics (campers)
ex 870332190(*)	---- Other
ex 870332210(*)	---- Vehicles specially designed as ambulances and hearses
ex 870332220(*)	---- Furnished vehicles prepared for picnics (campers)
ex 870332290(*)	---- Other
ex 870333110(*)	---- Vehicles specially designed as ambulances and hearses
ex 870333120(*)	---- Furnished vehicles prepared for picnics (campers)
ex 870333190(*)	---- Other
ex 870333210(*)	---- Vehicles specially designed as ambulances and hearses
ex 870333220(*)	---- Furnished vehicles prepared for picnics (campers)
ex 870333290(*)	---- Other
ex 870390300(*)	--- Vehicles specially designed as ambulances and hearses
ex 870390400(*)	--- Furnished vehicles prepared for picnics (campers)
ex 870390590(*)	---- Other
ex 870390600(*)	---- Others, of a cylinder capacity exceeding 2000 cc but not exceeding 2500 cc.
ex 870390700(*)	---- Others, of a cylinder capacity exceeding 2500 cc
ex 870390900(*)	--- Other

(\*) Used vehicles defined as vehicles with more than six months after registration and having run at least 6 000 km.

### List 2

HS Code	Description
570110000	- Of wool or fine animal hair
570190000	- Of other textile materials
570210000	- Kelem, Schumacks, Karamanie and similar hand-woven rugs
570220000	- Floor coverings of coconut fibres (coir)
570231000	-- Of wool or fine animal hair
570239000	-- Of other textile materials
570241000	-- Of wool or fine animal hair
570249000	-- Of other textile materials
570251000	-- Of wool or fine animal hair
570259000	-- Of other textile materials
570291000	-- Of wool or fine animal hair
570299000	-- Of other textile materials
570310000	- Of wool or fine animal hair
570390000	- Of other textile materials
570410000	- Tiles, having a maximum surface area of 0.3 m <sup>2</sup>
570500000	Other carpets and other textile floor coverings, whether or not made up.
610110000	- Of wool or fine animal hair
610190000	- Of other textile materials
610210000	- Of wool or fine animal hair
610230000	- Of man-made fibres
610290000	- Of other textile materials
610312000	-- Of synthetic fibres
610319000	-- Of other textile materials
610321000	-- Of wool or fine animal hair
610322000	-- Of cotton

610323000	-- Of synthetic fibres
610329000	-- Of other textile materials
610339000	-- Of other textile materials
610349000	-- Of other textile materials
610412000	-- Of cotton
610413000	-- Of synthetic fibres
610423000	-- Of synthetic fibres
610429000	-- Of other textile materials
610431000	-- Of wool or fine animal hair
610439000	-- Of other textile materials
610444000	-- Of artificial fibres
610449000	-- Of other textile materials
610459000	-- Of other textile materials
610461000	-- Of wool or fine animal hair
610469000	-- Of other textile materials
610610000	- Of cotton
610811000	-- Of man-made fibres
610819000	-- Of other textile materials
610829000	-- Of other textile materials
610832000	-- Of man-made fibres
610839000	-- Of other textile materials
610899000	-- Of other textile materials
611090000	- Of other textile materials
611190000	- Of other textile materials
611220000	- Ski suits
611231000	-- Of synthetic fibres
611239000	-- Of other textile materials
611241000	-- Of synthetic fibres
611249000	-- Of other textile materials

611300000	Garments, made up of knitted or crocheted fabrics of heading 59.03, 59.06 or 59.07.
611410000	- Of wool or fine animal hair
611490000	- Of other textile materials
611599900	--- Other
611610000	- Impregnated, coated or covered with plastics or rubber
611691000	-- Of wool or fine animal hair
611692000	-- Of cotton
611693000	-- Of synthetic fibres
611699000	-- Of other textile materials
611710000	- Shawls, scarves, mufflers, mantillas, veils and the like
611720000	- Ties, bow ties and cravats
611780000	- Other accessories
611790900	--- Other
620113000	-- Of man-made fibres
620119000	-- Of other textile materials
620199000	-- Of other textile materials
620219000	-- Of other textile materials
620291000	-- Of wool or fine animal hair
620299000	-- Of other textile materials
620590000	- Of other textile materials
620610000	- Of silk or silk waste
620640000	- Of man-made fibres
620690000	- Of other textile materials
620711000	-- Of cotton
620719000	-- Of other textile materials
620722000	-- Of man-made fibres
620729000	-- Of other textile materials
620792000	-- Of man-made fibres

620799000	-- Of other textile materials
620811000	-- Of man-made fibres
620819000	-- Of other textile materials
620821000	-- Of cotton
620822000	-- Of man-made fibres
620829000	-- Of other textile materials
620891000	-- Of cotton
620892000	-- Of man-made fibres
620899000	-- Of other textile materials
620910000	- Of wool or fine animal hair
620990000	- Of other textile materials
621010000	- Of fabrics of heading 56.02 or 56.03
621040000	- Other men's or boys' garments
621050000	- Other women's or girls' garments
621111000	-- Men's or boys'
621112000	-- Women's or girls'
621120000	- Ski suits
621131000	-- Of wool or fine animal hair
621133000	-- Of man-made fibres
621139000	-- Of other textile materials
621141000	-- Of wool or fine animal hair
621143000	-- Of man-made fibres
621149000	-- Of other textile materials
621220000	- Girdles and panty-girdles
621230000	- Corselettes
621290000	- Other
621310000	- Of silk or silk waste
621320000	- Of cotton
621390000	- Of other textile materials

621600000	Gloves, mittens and mitts.
621710000	- Accessories
621790900	--- Other
630900100	--- Footwear
630900900	--- Other
640110000	- Footwear incorporating a protective metal toe-cap
640191000	-- Covering the knee
640192000	-- Covering the ankle but not covering the knee
640199000	-- Other
640212000	-- Ski-boots, cross-country ski footwear and snowboard boots
640219000	-- Other
640220000	- Footwear with upper straps or thongs assembled to the sole by means of plugs
640230000	- Other footwear, incorporating a protective metal toe-cap
640291000	-- Covering the ankle
640299000	-- Other
640510000	- With uppers of leather or composition leather
640520000	- With uppers of textile materials
640590000	- Other
640610000	- Uppers and parts thereof, other than stiffeners
640620000	- Outer soles and heels, of rubber or plastics
640691000	-- Of wood
640699000	-- Of other materials
940120000	- Seats of a kind used for motor vehicles
940130000	- Swivel seats with variable height adjustment
940140000	- Seats other than garden seats or camping equipment, convertible into beds
940150000	- Seats of cane, osier, bamboo or similar materials
940161000	-- Upholstered

940169000	-- Other
940171000	-- Upholstered
940179000	-- Other
940180900	--- Other
940190000	- Parts
940210100	--- Barbers' chairs
940310000	- Metal furniture of a kind used in offices
940320000	- Other metal furniture
940330000	- Wooden furniture of a kind used in offices
940340000	- Wooden furniture of a kind used in the kitchen
940350000	- Wooden furniture of a kind used in the bedroom
940360000	- Other wooden furniture
940370000	- Furniture of plastics
940380000	- Furniture of other materials, including cane, osier, bamboo or similar materials
940390000	- Parts
940410000	- Mattress supports
940421000	-- Of cellular rubber or plastics, whether or not covered
940429000	-- Of other materials
940430000	- Sleeping bags
940490000	- Other
940510000	- Chandeliers and other electric ceiling or wall lighting fittings, excluding those of a kind used for lighting public open spaces or thoroughfares
940520000	- Electric table, desk, bedside or floor-standing lamps
940530000	- Lighting sets of a kind used for Christmas trees
940540900	--- other
940550900	--- Other
940560000	- Illuminated signs, illuminated name-plates and the like
940591900	--- Other

940592900	--- Other
940599900	--- Other
940600900	--- Other

### List 3

HS Code	Description
220300000	Beer made from malt.
220510000	- Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances, in containers holding 2 litres or less
220590000	- Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances : other
240210000	- Cigars, cheroots and cigarillos, containing tobacco
240220000	- Cigarettes containing tobacco
240290100	--- Cigars
240290200	--- Cigarettes
240399900	--- Other